

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency - Behavioral Health Services	(2) MEETING DATE March 21, 2006	(3) CONTACT/PHONE Karen Baylor, Behavioral Health Administrator (805) 781-4734	
(4) SUBJECT Request to approve a contract (Clerk's File) with American Care Home II to provide social support services for Mental Health for the remainder of FY 2005-06 and for FY 2006-07.			
(5) SUMMARY OF REQUEST American Care Home II is a newly licensed six-bed board and care facility in Templeton that offers residential community care and support services for mentally ill individuals in the community. Residents will be closely monitored and will receive on-site services 24 hours per day, seven days per week. The highly structured program is designed to strengthen interpersonal skills, control social stress, and assist participants in progressing toward achieving the goal of independent living. The transfer of medically appropriate clients from higher level placements to this board and care facility offers substantial savings and allows these individuals to remain in the community. The maximum set for this contract is \$32,760 for the remaining three months of FY 2005-06 and \$131,400 for FY 2006-07.			
(6) RECOMMENDED ACTION It is recommended that the Board approve the contract with American Care Home II to provide social support services for Mental Health for the remainder of FY2005-06 and for FY2006-07.			
(7) FUNDING SOURCE(S) State, County	(8) CURRENT YEAR COST \$32,760	(9) ANNUAL COST \$131,400	(10) BUDGETED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel has reviewed and approved the contract as to form and legal effect.			
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____			
(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, <u>All</u>		(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	
(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. <u>30 min</u>)		(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input checked="" type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A	
(17) NEED EXTRA EXECUTED COPIES? Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(19) Administrative Office Review <div style="text-align: center; margin-top: 20px;"><i>OK - Dan Buckshi</i></div>			

B-3
(3.21.06)

BEHAVIORAL HEALTH SERVICES

COUNTY OF SAN LUIS OBISPO



Reply to:

MENTAL HEALTH SERVICES

2178 JOHNSON AVENUE
SAN LUIS OBISPO, CALIFORNIA 93401-4535
(805) 781-4700
(805) 781-1273 FAX

TO: Board of Supervisors

FROM: Karen Baylor, Ph.D., Administrator, Behavioral Health Services

A handwritten signature in cursive script, reading "Karen Baylor", is written over the printed name.

DATE: March 21, 2006

SUBJECT: Request to approve a contract with American Care Home II to provide social support services for Mental Health.

RECOMMENDATION:

It is recommended that the Board approve a contract (Clerk's File) with American Care Home II to provide social support services for Mental Health during the remainder of FY 2005-06 and for FY 2006-07.

DISCUSSION:

The owners of American Care Home, located at 1240 El Camino Real in Atascadero, have obtained a State license to operate an additional six-bed board and care facility to be located at 940 Benette Way in Templeton. The board and care home will provide a supported living environment for mentally ill individuals who need structured programs, but can manage in a less-restrictive setting than a locked IMD facility. The new residential facility has been named American Care Home II.

This contractor has provided residential and social support services for County Mental Health since 2002, and is prepared to provide expanded services at the new location in Templeton. The clients selected for placement in this board and care home are deemed ready to step down from a more restrictive residential setting, but have a higher acuity level and need for support than clients currently residing at the larger American Care Home in Atascadero.

The new six-bed facility is located in a remote ranch-style setting that lends itself well to the structured program to be offered. The smaller facility size also allows for closer monitoring of residents who will be provided onsite services twenty-four hours/seven days per week. The contractor will offer a highly structured five-part program designed to help clients strengthen interpersonal skills, control social stress, and enrich quality of life. Each program segment will include a detailed schedule of activities to assist clients in progressing toward achieving the goal of independent living in the community. American Care Home II will add another level to the currently available continuum of care and allow more County residents with mental illness to remain in the community, close to family and friends.

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OTHER AGENCY INVOLVEMENT/IMPACT:

County Counsel has reviewed the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS:

The service rate for American Care Home II is \$60 per day, per client. This is slightly less than the current rate of \$63 per day charged by Davis Guest Home in Modesto, although both contractors provide essentially the same level of service. The current rate at the 38-bed American Care Home facility in Atascadero is \$19 per day, a rate that can be achieved through the better economy of scale and the need for less intensive service levels for that population. There is a growing demand for residential beds of all levels throughout the state and waiting lists exist for many board and care facilities, including Davis Guest Home. The availability of a local six-bed board and care will allow more patients to remain in the community in less restrictive settings and, at the same time, provide substantial savings in providing patient care.

Six clients have been pre-selected as appropriate transfers to the new facility. Of these, three will come from Institutions for Mental Disease (IMDs) in Sylmar and Merced, two from Davis Guest Home in Modesto, and one from a skilled nursing facility (SNF). Monthly savings for one client transferred from Sylmar would be approximately \$2,835 (\$34,020 annually). Savings for one client transferred from Merced Manor would be approximately \$2,275 monthly (\$27,300 annually). Combined annual savings from the transfer of three IMD clients would be \$95,340 for FY 2006-07. The transfer of the initial three IMD clients and two board and care clients from Davis Guest Home would bring an estimated savings of \$24,375 for the fourth quarter of FY 2005-06.

The client planned for transfer from a skilled nursing facility has resided there due to physical health issues. Because the client is under conservatorship in this County, the County must resume responsibility for residential care on her discharge from the SNF. American Care Home II will provide the most appropriate level of care for this client in the least restrictive setting.

Although the savings from the transfer of one client from Davis Guest Home to American Care Home II is only \$90 per month, each bed vacated at Davis Guest Home is subsequently available for backfill with an IMD client. Mental Health is negotiating with Davis Guest Home to facilitate such transfers and ensure that beds vacated by our clients are reserved for backfill by this County's IMD clients. An Adult Placement Committee has been formed to closely monitor client placements. The committee will look closely at all future IMD placements to limit the risk of increased IMD capacity and associated costs, and to ensure overall savings to the department. By adding American Care Home II to the continuum of care and arranging a step-down system through the multiple levels of care, Mental Health hopes to facilitate the movement of all appropriate clients to the lowest level of care possible. The State does not allow for the billing of these "residential" services to Medi-Cal, therefore services are funded through State General Fund (5%), Tobacco Settlement (29%) and Discretionary Realignment and County General Funds (66%). This contract will result in budget savings for the last quarter of FY 2005-06.

B-3
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RESULTS:

American Care Home II will provide augmented board and care services at a more intensive level than the services currently being provided at the 38-bed American Care Home facility in Atascadero. The contractor will provide a detailed schedule of activities for each program segment and maintain records on each client's progress through the established five-step program.

Board and care facility placements significantly reduce the number of higher-cost, out-of-county IMDs or State hospital placements. IMD costs currently range from approximately \$120 to \$210 per day, depending on the level of service required. The daily cost of a State hospital bed is \$372. At present, Mental Health has two clients placed in State hospitals, 21 clients placed at out-of-county IMDs, and 13 clients at Davis Guest Home. By expanding availability of beds, the County greatly increases the potential for savings by more effectively channeling clients to lesser level placements whenever they are deemed medically appropriate. In addition to the savings, Mental Health contributes to its mission to serve clients in the least restrictive setting possible, and allows clients to remain in their own community close to family and friends.

KB:bp